



Washington State Intercity Bus Policy Development

What's happening in the intercity bus program?

- WSDOT is in process of completing the Washington State Intercity & Rural-to-Urban Public Transportation Network Plan. Key elements of this plan include an up-to-date and comprehensive need analysis, statewide intercity bus network design, and generation of project funding priorities.
- The Department is also pursuing new policy options, including the separation of intercity bus funds from the State & Federal Consolidated Grants program. In place of this process, the Department would publish a request for proposals (RFP) soliciting bids for development of key portions of the identified state network. Before finalizing a new intercity bus policy, a pilot project designed to expose unanticipated problems and identify opportunities to refine the Department's approach will be completed in Central Washington.
- The Department is developing criteria for a service type contract to be used with each intercity bus grant recipient. In addition to basic compliance requirements, the service contract will add detailed performance expectations, project management expectations, and – should a grantee fail to fulfill terms of the agreement – contract termination conditions.
- The Department is developing a 'one-network' approach to intercity bus services. Just as a public transportation provider operating within a community must provide connectivity and consistency between routes to serve the public, individual intercity bus routes must function as part of a larger statewide network.

How will this new direction improve the intercity bus program?

Since FY2003, Section 5311(f) funds have been administered through WSDOT's Consolidated Grants Program. Due to recent losses in intercity bus service in Washington, revised federal program management directives, and unique challenges not shared with other public transportation services, the Consolidated Grant Program method of administering funds is no longer adequate for the intercity bus program.

Efforts to make the intercity bus program fit into the current model used for all other funding programs have hindered the Department's ability to effectively and efficiently meet intercity bus needs in Washington State. WSDOT's new intercity bus policy will allow the Department to:

- Strategically build a network of intercity bus service with statewide significance. Currently, projects are funded on an ad hoc basis – limited to only those projects that are locally conceived and submitted for consideration among all other public transportation project applications.
- Select the best operator when funding an intercity bus project. The current method offers no assurance that the grantee is the best, most capable operator – one that will provide high quality service, effectively manage grant funds, and minimize public subsidy.
- Utilize non-subsidized intercity bus investments within the defined statewide network as federal dollar match on a system-wide basis. Intercity bus routes with high marketplace demand may then support other portions of the network that are needed to serve individuals with the greatest needs.

What are the potential issues/barriers?

- Existing providers who have become accustomed to receiving grant awards and/or ongoing support for intercity projects with little performance accountability for their services may object to raised expectations and the new requirement to compete with other willing and able operators. In the past we have had grant agreement compliance and federal reporting that have not focused on quality of service.
- The Washington State Utilities & Transportation Commission (WUTC) regulates marketplace entry and passenger fares and controls operating authority for specific services along specific corridors. WSDOT does not currently have any formal role in the WUTC's decision making process even though such decisions may substantially impact the Department's ability to implement the new intercity bus service network. Coordination between the WUTC and the WSDOT will become increasingly important as respective roles intersect under the new intercity bus policy.

What's at stake?

As is with Section 5311(f) funds, this policy will be specific to the development and support of intercity bus transportation.

The dollar amount available in this program has grown substantially under the Safe, Accountable, Flexible, and Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU). Washington State's FY2006 apportionment for the 5311(f) program is approximately \$1.2 million – nearly twice the amount received in FY2005. State Rural Mobility Grants and local funds are used as fifty percent match for operating and twenty percent match for equipment purchases when expended on eligible intercity bus activities.

Requested action:

Successful implementation of the Department's new intercity bus policy will require education and broad stakeholder support. While transitioning to the new intercity bus policy, key decision makers are asked to:

- Support WSDOT efforts to build an intercity network with statewide significance.
- Encourage WUTC to coordinate their regulatory functions with the Department's new intercity bus policy.